IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE SEVENTH DAY OF JULY
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE V.V.S.RAO

WRIT PETITION No. 9013 of 2004

Between:

Sri V.V. Suryanarayana Raju, S/o Late Venkata Raju,
R/o Lankala Koderu, Palakol Mandal, West Godavari District.

..... PETITIONER

AND

1 Andhra Pradesh State Financial Corporation,

rep. by its Branch Manager, Sangareddy Branch,

R/o Post Box No. 23, 3-4-21, Main Road,

Sangareddy - 502 001.
2 Special Deputy Tahsildar, A.P. State Financial Corporation,
22-95, Reddy Complex, Beside LIC Office,

Near Lingampally Circle,
Ramachandrapuram, Hyderabad - 500032.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a Writ of Mandamus , or any other appropriate writ, order or direction, declaring the action of the 2nd respondent corporation in issuing notice dated 25-2-2004 vide reference
No. AFC/RCW/RR/Acr/SDT/2003-2004, as arbitrary, illegal, null and void and is against the principles of natural justice and norms of the public policy and contrary to the proceedings issued by the1st respondent vide reference No. AFC/LG1/87-88/26711, dated 22-6-1987 and to set aside the both the proceedings of the 1st and 2nd Respondents demanding the petitioner to pay the amount due to the respondent corporation by the M/s MCA Chemicals Pvt. Ltd.

Counsel for the Petitioner : MR.VENKATESWARA RAO GUDAPATI

Counsel for Respondents : MS.Y.N.LOHITA (SC FOR A.P. STATE FINANCE CORP)

The Court made the following :

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ORDER :

The petitioner claims to be the former Director of M/s.M.C.A. Chemicals (P) Limited, Lankalakoderu in West Godavari District. The said company borrowed a sum of Rs.42,78,405/- from the first respondent. According to the petitioner, he resigned as Director of
M/s. M.C.A. Chemicals (P) Limited on 11-10-1982 and the same was duly informed to the Registrar of Companies. When the first respondent issued a notice of liability on 23-8-1997 calling upon the petitioner to pay a sum of Rs.91,92,858/-, the petitioner addressed a letter to the A.P.State Finance Corporation (APSFC) informing that he ceased to be the Director of M/s. M.C.A. Chemicals (P) Limited. When the first respondent issued a letter to pay a sum of Rs.10,88,78,916/- duly informing him that APSFC would invoke the provisions of Section 52A of the Andhra Pradesh Revenue Recovery Act, 1864 the petitioner invoked the jurisdiction of this Court contending that the action of the first respondent in issuing the impugned letter is arbitrary and illegal.

By impugned notice, the petitioner was asked to pay about
Rs.10-00 Crores allegedly towards the arrears of loan borrowed by M/s.M.C.A. Chemicals (P) Limited. As the petitioner is contending
that he ceased to be the Director with effect from
11-10-1982, therefore, he stood discharged from any liability, the petitioner can as

well approach APSFC by making appropriate representation. It is no doubt true that, as contended by the petitioner, he sent a representation on 15-10-1997 after receiving the earlier letter of demand dated 23-8-1997. Even after receiving the impugned letter also, the petitioner appears to have sent a letter on 4-3-2004 to the Manager(Finance) of APSFC, R.C.Puram. Therefore, instead of keeping the matter pending, the first respondent is directed to consider the representation of the petitioner dated 4-3-2004 and take appropriate action in the matter. It shall be open to the petitioner to make further representation and also produce a certified copy of Form No.32 issued by the Registrar of Companies, Hyderabad.

The writ petition, with the above observations and directions, is accordingly disposed of. No costs.

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(V.V.S.RAO, J.)

07-07-2005.

Msr.

To

1 The Branch Manager, Andhra Pradesh State Financial Corporation,

Sangareddy Branch, R/o Post Box No. 23, 3-4-21,

Main Road, Sangareddy - 502 001.

2 Special Deputy Tahsildar, A.P. State Financial Corporation,
22-95, Reddy Complex, Beside LIC Office,

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HON'BLE SRI JUSTICE V.V.S. RAO

W.P.No.9013 of 2004

07-07-2005

(Msr)